

2011 Property Tax Report

Jefferson County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Jefferson County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Jefferson County

The average homeowner saw a 6.3% tax bill increase from 2010 to 2011.
Homestead taxes in 2011 were still 34.2% lower than they were in 2007, before the property tax reforms.
94.2% of homeowners saw lower tax bills in 2011 than in 2007.
78.3% of homeowners saw tax increases of between 1% and 19% from 2010 to 2011.
The largest percentage of homeowners have seen between a 20% and 49% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	6,593	82.1%	398	5.0%
No Change	859	10.7%	69	0.9%
Lower Tax Bill	579	7.2%	7,564	94.2%
Average Change in Tax Bill	6.3%		-34.2%	
Detailed Change in Tax Bill				
20% or More	301	3.7%	201	2.5%
10% to 19%	2,861	35.6%	71	0.9%
1% to 9%	3,431	42.7%	126	1.6%
0%	859	10.7%	69	0.9%
-1% to -9%	374	4.7%	230	2.9%
-10% to -19%	62	0.8%	441	5.5%
-20% to -29%	46	0.6%	1,478	18.4%
-30% to -39%	18	0.2%	2,414	30.1%
-40% to -49%	22	0.3%	1,576	19.6%
-50% to -59%	10	0.1%	581	7.2%
-60% to -69%	8	0.1%	227	2.8%
-70% to -79%	13	0.2%	155	1.9%
-80% to -89%	10	0.1%	154	1.9%
-90% to -99%	4	0.0%	100	1.2%
-100%	12	0.1%	208	2.6%
Total	8,031	100.0%	8,031	100.0%

Note: Percentages may not total due to rounding.

★★★★★
 LOSS OF STATE HOMESTEAD
 CREDIT AND HIGHER TAX
 RATES INCREASED
 HOMEOWNER TAX BILLS
 ★★★★★

Homestead Property Taxes

Homestead property taxes increased 6.3% on average in Jefferson County in 2011. This was more than the state average of 4.4%. Jefferson County homestead taxes were still 34.2% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 4.4% in Jefferson County in 2010. In addition, an increase in tax rates added to homestead tax bills.

Tax Rates

Property tax rates increased in all of Jefferson County tax districts. The average tax rate increased by 4.8% because of an increase in the levy. Levies in Jefferson County increased by 4.2%. The biggest levy increases were in the Jefferson County general fund, the Madison Consolidated Schools debt service and capital projects funds and the Southwestern Jefferson Consolidated Schools bus replacement and debt service funds. Madison Consolidated Schools reduced their bus replacement levy and Southwestern Jefferson Consolidated Schools eliminated their pension debt levy. Jefferson County's total net assessed value increased 0.3% in 2011. (The certified net AV used to compute tax rates declined by 0.6%.) Homestead and agricultural net assessments increased by 1.4% and 1.9%, respectively. Other residential assessments showed a small decrease of 0.3%, while business net assessments decreased by 0.9%.

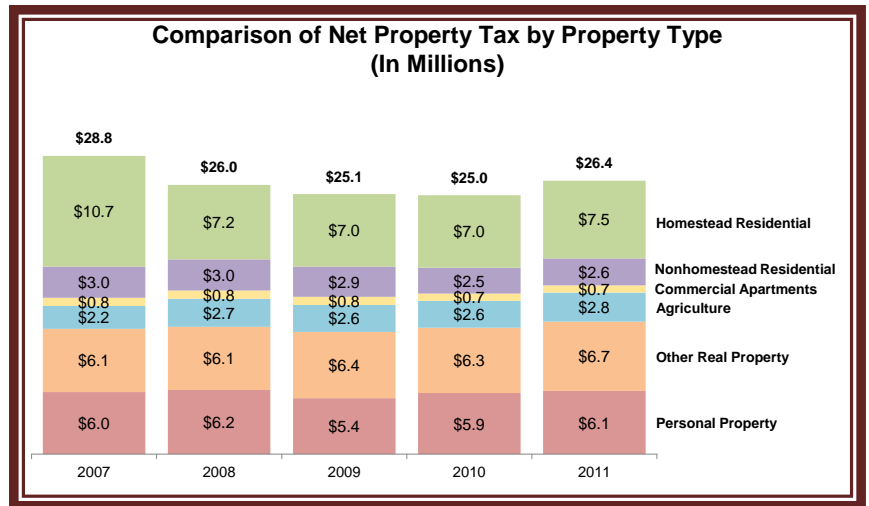
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**TAX INCREASES IN ALL CATEGORIES OF
NONHOMESTEAD PROPERTY, DUE TO
HIGHER TAX RATES**

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 5.2% in Jefferson County in 2011, higher than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 3.3%. Tax bills for commercial apartments increased 5.6%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased 4.3%. These tax bill increases reflect increases in tax rates in Jefferson County in 2011. Agricultural tax bills rose 6.9%. This was due to the higher tax rates and the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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**TAX CAP CREDITS INCREASED
IN 2011**

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Total tax cap credit losses in Jefferson County were \$1.2 million, or 4.6% of the levy. This was less than the state average loss rate of 9.2%, but near the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Jefferson County's tax rates were near the state median.

About half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. Jefferson had no district tax rates above \$3 per \$100 assessed value, so no business property in the 3% tax cap category qualified for credits. The largest percentage loss was in the city of Madison. The largest dollar losses were in the Madison Consolidated School Corporation, the city of Madison, and the county unit.

Jefferson County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$321,067	\$465,599	\$0	\$12,158	\$798,824	3.0%
2011 Tax Cap Credits	564,643	652,953	0	40,315	1,257,911	4.6%
Change	\$243,576	\$187,355	\$0	\$28,157	\$459,087	1.5%

Tax cap credits increased in Jefferson County in 2011 by \$459,087, or 57%. The additional credits

represent an added loss of 1.5% of the total tax levy. Most of the increase in tax cap credits was in the 1% tax cap category, which covers homesteads. The elimination of the state homestead credit and the increase in tax rates caused much of the 1% tax cap credit increase.

The Effect of Recession

The 2009 recession had an effect on Jefferson County assessments for pay-2011. Business and other residential property values and construction activity appear to have fallen in Jefferson County in 2009. Stagnant assessments meant the levy increase caused tax rate increases, which increased tax cap credit revenue losses.

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**2009 RECESSION REDUCED BUSINESS
AND OTHER RESIDENTIAL ASSESSMENTS
IN 2011**

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$1,027,570,100	\$1,036,994,500	0.9%	\$402,506,071	\$408,158,005	1.4%
Other Residential	135,063,200	134,843,600	-0.2%	134,112,643	133,725,000	-0.3%
Ag Business/Land	151,220,000	154,169,400	2.0%	150,682,700	153,616,696	1.9%
Business Real/Personal	696,539,189	676,060,690	-2.9%	533,673,511	529,096,582	-0.9%
Total	\$2,010,392,489	\$2,002,068,190	-0.4%	\$1,220,974,925	\$1,224,596,283	0.3%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Jefferson County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	35,678,609	36,952,691	24,413,782	25,368,825	26,446,033	3.6%	-33.9%	3.9%	4.2%
State Unit	30,890	32,108	0	0	0	3.9%	-100.0%		
Jefferson County	9,700,756	9,347,320	6,425,847	6,781,465	6,945,634	-3.6%	-31.3%	5.5%	2.4%
Graham Township	16,958	18,579	24,313	25,242	25,903	9.6%	30.9%	3.8%	2.6%
Hanover Township	47,735	59,920	62,616	65,066	66,706	25.5%	4.5%	3.9%	2.5%
Lancaster Township	25,638	27,032	28,274	29,354	30,093	5.4%	4.6%	3.8%	2.5%
Madison Township	189,689	237,472	247,383	256,918	263,080	25.2%	4.2%	3.9%	2.4%
Milton Township	14,375	15,570	16,204	16,782	16,713	8.3%	4.1%	3.6%	-0.4%
Monroe Township	14,632	14,986	13,173	15,028	15,408	2.4%	-12.1%	14.1%	2.5%
Republican Township	33,971	36,170	34,928	36,163	36,897	6.5%	-3.4%	3.5%	2.0%
Saluda Township	33,004	36,008	36,797	38,482	39,458	9.1%	2.2%	4.6%	2.5%
Shelby Township	21,831	23,323	24,269	25,145	25,809	6.8%	4.1%	3.6%	2.6%
Smyrna Township	29,493	30,598	30,263	31,213	31,959	3.7%	-1.1%	3.1%	2.4%
Madison Civil City	5,072,143	5,330,732	5,176,552	5,428,817	5,558,798	5.1%	-2.9%	4.9%	2.4%
Brooksbury Civil Town	2,147	2,226	2,315	2,403	2,468	3.7%	4.0%	3.8%	2.7%
Dupont Civil Town	0	0	0	9,883	10,221				3.4%
Hanover Civil Town	166,329	178,697	189,440	196,076	201,033	7.4%	6.0%	3.5%	2.5%
Madison Consolidated School Corporation	14,980,483	16,014,612	8,296,134	8,560,477	9,106,913	6.9%	-48.2%	3.2%	6.4%
Southwestern Jefferson Consol School Corp	4,139,737	4,373,020	2,698,034	2,701,292	2,902,885	5.6%	-38.3%	0.1%	7.5%
Jefferson County Public Library	906,107	923,093	958,777	994,868	1,021,035	1.9%	3.9%	3.8%	2.6%
Southeastern Indiana Solid Waste Mgt Dist	137,718	143,146	148,463	154,151	145,020	3.9%	3.7%	3.8%	-5.9%
Madison City Redevelopment Commission	114,973	108,079	0	0	0	-6.0%	-100.0%		

Jefferson County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates					Net Tax Rate, Homesteads
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
39001	Graham Township	1.7170	--	--	--	--	--	--	1.7170
39002	Hanover Township	1.9412	--	--	--	--	--	--	1.9412
39003	Hanover Town	2.2226	--	--	--	--	--	--	2.2226
39004	Lancaster Township	1.7380	--	--	--	--	--	--	1.7380
39005	Dupont Town	1.9047	--	--	--	--	--	--	1.9047
39006	Madison Township	1.7310	--	--	--	--	--	--	1.7310
39007	Madison City	2.6711	--	--	--	--	--	--	2.6711
39008	Milton Township	1.7294	--	--	--	--	--	--	1.7294
39009	Brooksbury Town	1.9845	--	--	--	--	--	--	1.9845
39010	Monroe Township	1.7720	--	--	--	--	--	--	1.7720
39011	Republican Township	1.9572	--	--	--	--	--	--	1.9572
39012	Saluda Township	1.9626	--	--	--	--	--	--	1.9626
39013	Shelby Township	1.7391	--	--	--	--	--	--	1.7391
39014	Smyrna Township	1.9877	--	--	--	--	--	--	1.9877

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Jefferson County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	564,643	645,469	0	40,315	1,250,427	26,446,033	4.7%
<i>TIF Total</i>	0	7,484	0	0	7,484	1,125,656	0.7%
<i>County Total</i>	564,643	652,953	0	40,315	1,257,911	27,571,689	4.6%
Jefferson County	126,573	144,443	0	10,893	281,909	6,945,634	4.1%
Graham Township	5	0	0	26	30	25,903	0.1%
Hanover Township	584	756	0	122	1,461	66,706	2.2%
Lancaster Township	0	0	0	22	22	30,093	0.1%
Madison Township	4,318	4,840	0	389	9,547	263,080	3.6%
Milton Township	0	0	0	35	35	16,713	0.2%
Monroe Township	0	0	0	107	107	15,408	0.7%
Republican Township	134	0	0	42	176	36,897	0.5%
Saluda Township	85	0	0	20	105	39,458	0.3%
Shelby Township	22	0	0	153	175	25,809	0.7%
Smyrna Township	11	0	0	29	40	31,959	0.1%
Madison Civil City	196,474	221,084	0	7,650	425,208	5,558,798	7.6%
Brooksburg Civil Town	0	0	0	12	12	2,468	0.5%
Dupont Civil Town	0	0	0	10	10	10,221	0.1%
Hanover Civil Town	2,548	6,615	0	281	9,443	201,033	4.7%
Madison Consolidated School Corp	194,756	218,462	0	14,920	428,138	9,106,913	4.7%
Southwestern Jefferson Consol School	17,885	25,020	0	3,778	46,683	2,902,885	1.6%
Jefferson County Public Library	18,607	21,234	0	1,601	41,442	1,021,035	4.1%
Southeastern Indiana Solid Waste Mgt	2,643	3,016	0	227	5,886	145,020	4.1%
Madison City Redevelopment Comm.	0	0	0	0	0	0	
TIF - Madison City	0	7,484	0	0	7,484	1,125,656	0.7%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.